

CHUM said the Victoria stand-alone would earn 25% to 30% more revenue than stated in their application as filed. Their commitments, save and excepting the independent production, should change but presumably have not. Their expenses will change because they will not have the synergies with a Vancouver station but we do not know how nor if their commitments as to employment will be the same.

Presumably programming, revenue and expenses are relevant to competitive television applications. The Commission requires this information with each and every application. Without this specific information, I do not know how the majority compares the CHUM Victoria stand-alone application with the others to arrive at its conclusion of the best application.

**Craig's superiority includes the promotion and support of independent production in the west**

As stated in the dissent of Commissioner Grauer, the opening remarks listed the criteria to be used in assessing the applications, two of which involved the development of local and regional talent and programs.

The Commission is well aware of the demise of WIC. WIC, a broadcaster headquartered in British Columbia, commissioned and licensed a substantial amount of independent production in Western Canada. WIC did this not as a result of a benefits package, a licensing commitment, or a condition of licence but as a result of the fact of it being in the West and knowing the quality of the producers, similar to broadcasters being headquartered in Toronto and knowing the quality of the producers there.

Craig's \$12.7 million commitment to independent production was specifically directed to local and regional talent but was significantly enhanced by several facts. An individual intimately involved with the local production scene would have done the commissioning of independent production on Vancouver Island. This individual previously worked with Telefilm in Vancouver and subsequently with the Vancouver Island Film Commission. Additionally, Craig was going to provide an assistance structure for producers providing for skills and script development – the cost of which would be in addition to the monetary amount committed. In contrast, CHUM's monetary commitment became \$12 million but there was no commitment as to commissioning nor for assistance for the production community.

Craig, like WIC, is a western based broadcaster and has been based in the west for over 50 years. Its record, both in its award winning local news and previous commitment to independent production in the west, is unsurpassed.

**'Strong players' are not created –  
players become strong by succeeding  
in competition**

The majority has referred to the television policy and its emphasis on "strong players". It is my view that the majority decision creates exactly the opposite for the following reasons:

a) Whilst CHUM is made strong, this is at the expense of Craig which now runs the risk of becoming a marginal player. By the numbers of the majority CHUM will now have a reach of 60% and Craig will have 17%. By Craig's numbers, Craig and CHUM would have been approximately equal in reach if they had been licensed.

b) CHUM now has a reach of 60% but it is significant as to where this reach is. CHUM was very clear at the hearing that it chose not to apply for the Alberta stations when they were licensed. CHUM sold its stations in the Maritimes. Thus the reach of CHUM extends only to the more densely populated areas of Canada such as Ontario and now Vancouver. CHUM has no smaller market coverage or obligations however its competitors, Global, CTV and Craig, do. Thus while Global and CTV use their revenues from larger markets to subsidize their smaller markets, CHUM has no such smaller markets. Thus, licensing of CHUM may very well reduce the strength of the national "strong" players and may well have an impact on their

ability to continue to cover the smaller markets.

c) I do not believe strong 'players' are created in this manner. In this and any other marketplace, strength is gained by succeeding in competition. Our role, I believe, is to create a level playing field for all the various parties and to maintain as far as possible a fair and level field. Thereafter, by skill, innovation, creativity, the stronger 'players' emerge. Moreover they have gained the skills to continue to succeed in the increasingly competitive national and global environment.

**The needs of the specific market are  
the priority**

This is the essence of my disagreement with the majority. I do not accept that an unknown quantum of increased priority programming on 6 Ontario stations (the NewNet stations) and the belief (albeit misguided in my view) that a strong 'player' has been created is more important or is in priority to the needs of the specific market. In a normal competitive process, I believe the best applicant best suited for the specific market should be licensed. In the Vancouver market but for the ethnic fact and the Vancouver market sustainability issue, Craig should have been licensed.



**But in a contest between conventional commercial applications versus an ethnic application the criteria for assessment must be different**

With respect to conventional television applications, save and excepting the last licensing round in Vancouver, the Commission has never been in a position of assessing and rating ethnic conventional applications versus mainstream conventional applications. As to the previous licensing round, Rogers had applied for an ethnic station and the Commission opted for another English-language conventional station. However, as to the present applications, I do not believe we can assess ethnic applications on the same criteria, otherwise there would be no need to have an ethnic broadcasting policy.

First, I believe we cannot compare the two types of applications based on quality and type of programming. The ethnic policy specifies the requirements for ethnic programming and given its content and specificity, it is my view it has excluded any comparative assessment of programming in situations such as this. Therefore in comparing programming in conventional applications and ethnic applications, the ethnic application should be considered equal to all conventional applications if the programming meets the requirements of the ethnic policy.

Secondly, given that the manner of financing ethnic stations is similar to conventional stations, i.e. the advertising revenue from foreign programming subsidizes the ethnic/Canadian programming, the market must be able financially to sustain a new service. I agree with the majority that the

Vancouver market can sustain one new service, albeit, in Vancouver.

Next, there should be an assessment of supply and demand. As to supply, the Vancouver English-language market, excluding Vancouver Island, is very well served off-air by many conventional stations including CBC, CTV, Global, and, at present, one WIC station. Based on Statistics Canada 1996 census data, this means one station per approximately 700,000 individuals (excluding CHEK). As to Vancouver Island, one of the WIC stations, CHEK, is supposed to be directed towards the Victoria market. Again, based on the 1996 census data, with the majority decision, Victoria will now have one station per 170,000 individuals, because Victoria's population is 339,000. Concurrent with this decision, the Commission is issuing its decision on the sale of WIC to Shaw, Corus and Canwest and it will be fortifying the CHEK commitment to the island. Further there is the outstanding commitment of CTV to apply for a Vancouver Island station.

As to demand, I recognize the majority felt persuaded by our prior Decision CRTC 97-39 and comments therein as to the "clear demand" among Vancouver Island residents for a new local television service. On balance, and considering my conviction that Vancouver Island cannot financially support a second service, I do not feel similarly persuaded. Consider the following: